

25 Apr 78

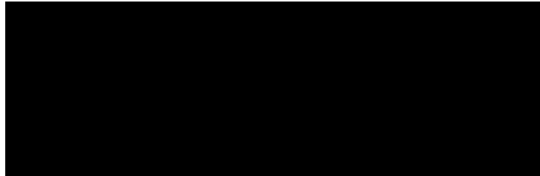
NOTE FOR: P&PD

SUBJECT : "NOTES FROM THE DIRECTOR" No. 24

The Director wants a pink and blue chart following Item #1, "Organization Under New Executive Order."

On the same page with the chart in small print he wants the functional statements which follow: (A - B.)

If you have any trouble with this please let me know.



STATINTL



Central Intelligence Agency  
Washington, D.C. 20505  
(703) 351-7676

Herbert E. Hetu  
Assistant for Public Affairs

78-5183/1

4-14-78

Admiral—

Here are DCI Notes #24 —

I'm sorry to bother you with these,  
but they have been back & forth  
so many times I'm not sure  
which versions you have seen —

On top is our version of the  
IC Organization — short and sweet.  
In the brown envelope are previous  
versions — long & hard to understand —

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~~DIRECTOR'S NOTE~~

THE DCI'S FIRST YEAR

~~A few weeks ago~~ *Last month* I completed my first year as DCI. It seems impossible to me that a whole year has gone by, but I look back upon it with great pleasure and satisfaction. Some of the things that stand out in my mind are:

a. We are seeing a real use and appreciation of our end product--intelligence estimates and evaluations. We are all cognizant of the President's numerous comments on the value of the President's Daily Brief (PDB), our weekly oral briefings, and other support to him. We have recently been taking a survey of other top Administration officials on their reactions to both the PDB and the National Intelligence Daily, and all are high in praise of these publications. Similarly, we provided the Congress more substantive intelligence briefings this year than ever before--about 245. Beyond that we have released an average of two unclassified publications a week for the benefit of the general public. All of these distributions of our product are continuing to uphold the high reputation of the Agency for the quality of its work and are serving truly important purposes.

b. During the past year we have successfully negotiated the Presidential decision and implementing Executive Order on the reorganization of the intelligence community. Essentially, this leaves the Agency with its same central role in our national intelligence endeavors.

~~The only significant Agency organizational change associated with the community reorganization has been the merger of the NIOs and the DDI into the National Foreign Assessment Center. This has proceeded smoothly and is proving to be a more effective and efficient way of utilizing our analytic assets. The new community offices of Collection Tasking and Resource Management are sorting themselves out from the former Intelligence Community Staff office, but there will not be a major impact of this change in the Agency's operations. Hence, the time has come when we can redirect our interests and attention from organizational matters back to getting on with the job.~~

c. During the past year we have faced up to the difficult problem of paring the DDO down to a more workable size. ~~I have promised that notifications of all reductions for both Fiscal Year 78 and 79 will be made before the first of June. We anticipate meeting that date readily. At the same time, I am pleased that our latest projections for~~

normal attrition are higher than we had anticipated. As a result, we will only have to request the departure of a very modest number of people to achieve our total reduction of 820 positions by the end of FY 1979.

d. While there is, in my opinion, still a lack of full public acceptance of intelligence activities, deriving largely from the unfavorable publicity past covert actions have received, there is no question in my mind that we are performing today as the country wants us to. With time and patience, that distrust will be largely eliminated. Overall, I believe we can count on a strong and basic support throughout the country and the continuation of an intelligence capability second to none.

e. In my contacts with the American public directly and with the Congress, I am encouraged by continuing signs of recognition of the importance of our mission and support for the high quality of our work.

f. In sum, I am much encouraged by the progress in this past year. My confidence that we will do as well or better in the years ahead stems from my appreciation of the high quality of the men and women of our Agency. No one could spend a year in the CIA without clearly recognizing how blessed we are by the quality of our people. I appreciate your support greatly and look forward to our continuing to work together.

Intelligence Community Organization

<sup>I WANT</sup>  
~~It is now~~ possible to clarify ~~further~~ some of the changes in the Intelligence Community organization that have taken place as a result of Executive Order 12036.

As you know, the Executive Order was promulgated on 26 January 1978 and assigned the DCI significantly increased responsibilities:

- for the tasking of all Intelligence Community collection assets, *+ dissemination of the results,*
- ~~--for ensuring the dissemination of the raw intelligence data collected,~~
- for ensuring the production of national intelligence estimates, and
- for formulating the national intelligence budget, *and*

*Top*

In response to the greater demand for finished intelligence products, it was necessary to modify the Intelligence Community Staff structure and to reevaluate the NIO/DDI relationship. To meet the requirement for increased production, the separate NIO and DDI structures were merged and all analytical and production assets were combined to form the National Foreign Assessment Center. To respond to the Executive Order's directive regarding tasking and budgets, the Intelligence Community Staff functions have been divided between a Deputy Director for Resource Management and a Deputy Director for Collection Tasking.

These three organizational changes will not only facilitate the achievement of my increased responsibilities, but also will give me a greater assurance of the efficiency of our collection systems and the adequacy of our product. One important fact of these changes is that overall evaluation of the effective use of the resources committed to national needs is performed by the Deputy Director for Resource Management, ~~which is separate from both collection and production activities.~~ *is not true has no responsibility for either or*

The chart below depicts the ~~current~~ <sup>planned</sup> organization of the Intelligence Community, including those Community components under the direct jurisdiction of the DCI and the components of the CIA, and briefly describes the major responsibilities of each.

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Redraft of a DIRECTOR'S NOTE on Intelligence Community  
Organization

Intelligence Community Organization

I want to clarify some of the changes in the Intelligence Community organization that have taken place as a result of Executive Order 12036.

As you know, the Executive Order was promulgated on 26 January 1978 and assigned the DCI significantly increased responsibilities:

- for the tasking of all Intelligence Community collection assets and dissemination of the results;
- for formulating the national intelligence budget; and
- for ensuring the production of national intelligence estimates.

To meet the first two of these responsibilities, tasking and budgeting, I have elected to split the existing Intelligence Community Staff: one-half under a new Deputy for Collection Tasking, the other under a Deputy for Resource Management. The former will manage the existing collection committees; in addition, he will establish a National Intelligence Tasking Center. This Center will attempt to ensure that for any given collection problem we utilize the full resources of the Intelligence Community and do so in a coordinated manner. The Deputy for Resource Management will be responsible for supporting me in my new "full and exclusive" responsibility for preparing the National Foreign Intelligence Program Budget and submitting it to the Office of Management and Budget and the President. The division of the IC Staff into these two components is subject to Congressional approval which

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we hope for shortly.



The third new responsibility above is simply a somewhat more explicit statement of the DCI's traditional role in producing National Intelligence Estimates. Under the new Executive Order, I am empowered to require participation of other agencies in developing National Estimates, but not to interfere with their normal analytic work. We want separate and independent centers of analysis in our Intelligence Community. In order to carry out the national estimating role in a more coordinated manner, we have, as you know, merged the old NIO and DDI structures into the National Foreign Assessment Center (NFAC). Those two organizations always worked very closely together.

The chart below depicts the planned organization of the Intelligence Community, including those Community components under the direct jurisdiction of the DCI and the components of the CIA, and briefly describes the major responsibilities of each.

Intelligence Community Organization

~~It is now possible~~ <sup>I WANT</sup> to clarify further some of the changes in the Intelligence Community organization that have taken place as a result of Executive Order 12036.

As you know, the Executive Order was promulgated on 26 January 1978 and assigned the DCI significantly increased responsibilities:

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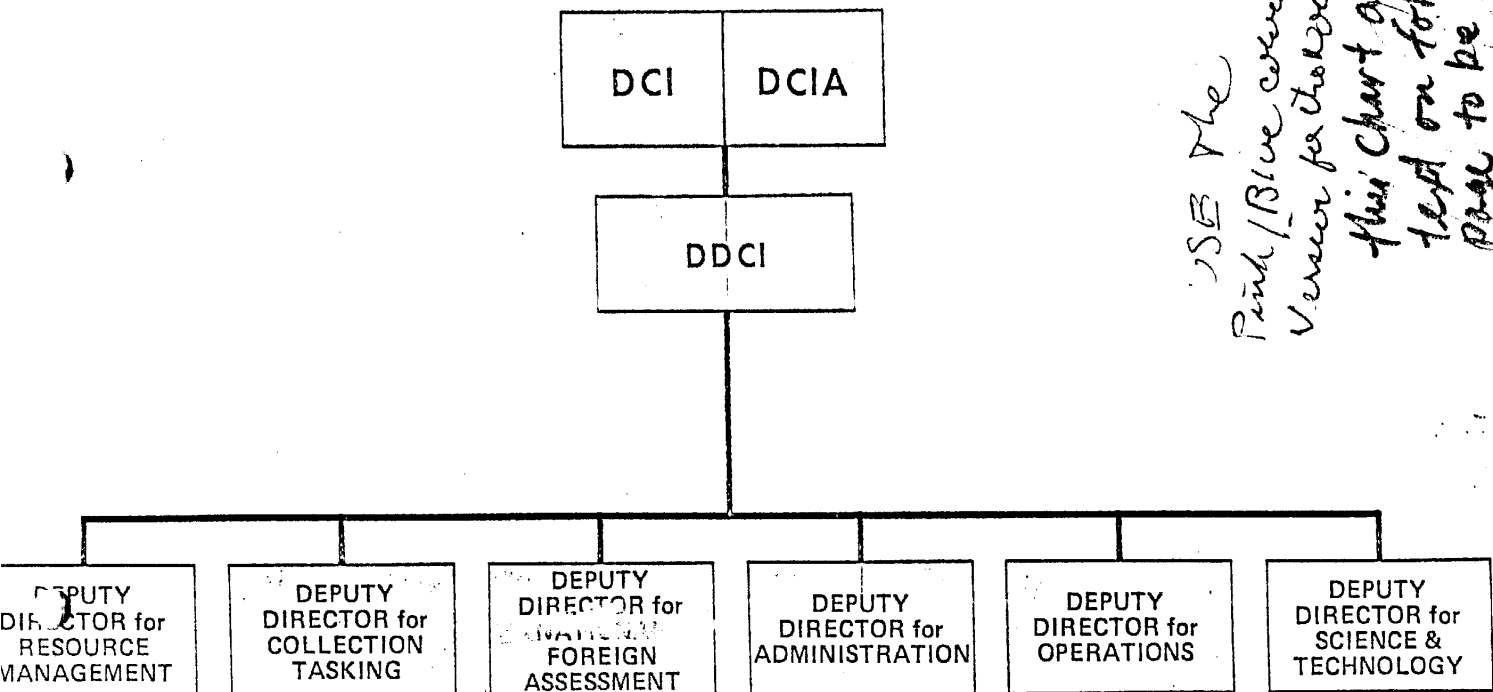
--for formulating the national intelligence budget, and

*108*  
In response to the greater demand for finished intelligence products, it was necessary to modify the Intelligence Community Staff structure and to reevaluate the NIO/DDI relationship. To meet the requirement for increased production, the separate NIO and DDI structures were merged and all analytical and production assets were combined to form the National Foreign Assessment Center. To respond to the Executive Order's directive regarding tasking and budgets, the Intelligence Community Staff functions have been divided between a Deputy Director for Resource Management and a Deputy Director for Collection Tasking.

These three organizational changes will not only facilitate the achievement of my increased responsibilities, but also will give me a greater assurance of the efficiency of our collection systems and the adequacy of our product. One important <sup>9</sup> facet of these changes is that overall evaluation of the effective use of the resources committed to national needs is performed by the Deputy Director for Resource Management, ~~who is not longer has no responsibility for either~~ <sup>or</sup> which is separate from both collection and production, ~~activities~~.

The chart below depicts the <sup>PLANNED</sup> ~~current~~ organization of the Intelligence Community, including those Community components under the direct jurisdiction of the DCI and the components of the CIA, and briefly describes the major responsibilities of each.

## Organization of Intelligence Community Under New Executive Order



*SB the  
Pink/Blue covered  
Version for the  
this chart and  
left on following  
page to be incorporated  
into one graphic.*

☒ *Community Officer*  
Funded under IC Staff Appropriation

☒ *Agency Officer*  
Funded under CIA Appropriation

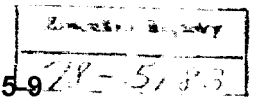
☐ *Agency Officer*  
Funded under CIA Appropriation

1. The Deputy Director for Resource Management is the principal adviser to the DCI on all matters relating to the National Foreign Intelligence Program (NFIP) budget prior to its presentation to the President and Congress. He will ensure the DCI has full access to relevant information and will conduct audits and evaluations as necessary. He will also assist the DCI in arriving at budget recommendations and will oversee the execution of the budget once it is approved.
2. The Deputy Director for Collection Tasking is the principal adviser to the DCI on all collection efforts within the Intelligence Community. He is responsible for assigning, through the National Intelligence Tasking Center, (NITC), which he heads, intelligence collection objectives and tasks to all intelligence elements of the Intelligence Community. He establishes priorities for tasking national intelligence collection systems in response to the production priorities set by the National Foreign Assessment Center. Through the NITC, he ensures dissemination of the information collected.
3. The Deputy Director for National Foreign Assessment is the principal adviser to the DCI on the production of national intelligence, both as to how it is accomplished and what it contains. He is responsible for organizing national efforts to assess and evaluate foreign intelligence data in support of national intelligence objectives as established by the National Security Council. He is the Director of the National Foreign Assessment Center and oversees the production of that Center. He also monitors product quality and evaluates product responsiveness.

4. The Deputy Director for Administration is responsible for supporting administratively those Intelligence Community components under the jurisdiction of the DCI as well as performing other tasks as assigned. He will continue to serve all his assigned functions as the Deputy Director for Administration of the CIA.
5. The Deputy Director for Operations and the Deputy Director for Science Technology will continue to serve all their presently assigned functions for the Central Intelligence Agency.

DCI TRIP

I recently returned from a two-week trip to six of our Stations. This is my second trip abroad since becoming DCI and I find these trips very useful in several regards. First, it allows me to make contact with and better understand the problems facing our people in the field, whether they be from DDO, [REDACTED] the Office of Communications, or wherever. Beyond that, it permits me to establish personal relationships with the intelligence officials of other countries and hopefully assists our liaison arrangements with them. Finally, it is a big help to me to gain a first-hand familiarity with the area and various political, economic and military problems therein. On this trip, as the last one, I was tremendously impressed by the quality and dedication of our people and particularly by the very fine relationships they have established with local intelligence services. I hope to continue making such trips about every six months so that I can see as many of our people in the field as possible.

~~4 April 1978~~NOTES FROM THE DIRECTORPERSONNEL MANAGEMENT

Over this past year, I have had the pleasure of meeting many of you personally. These contacts, both in the course of doing substantive Agency work and less formally in meetings with representative groups, have been extremely valuable to me. They have permitted a healthy exchange of ideas, which is important to every successful organization, and have been the source of many excellent initiatives, which in time will improve both our product and the Agency as a place to work.

I am sure no one would disagree that our first priority must always be the production of the highest quality of finished intelligence of which we are capable. Nonetheless, this cannot be done consistently unless all employees are confident that the personnel management system under which the work is fair, consistent, and promises the kinds of incentives and rewards which are suitable recompense for a job well done. For this reason we have been looking carefully for ways to improve our present system: to sharpen advance personnel planning; to increase headroom and promotional opportunities; to assure women and minority employees oppor-



tunity for development and full skill utilization as well as advancement opportunity consistent with their competitive career group.

I have both reviewed studies and proposals made by the Office of Personnel on various aspects of our personnel approaches, and solicited the views and suggestions of the various employee groups with whom I have met. They have often been innovative in their approach, always enthusiastic, and have contributed some excellent ideas. Some have been implemented already while others are still under consideration. Some actions already taken include:

- Increasing the distribution of the Notes From the Director so that one is available for every employee; expanding its content to include Agency accomplishments and information on initiatives, programs, and options under consideration and similar topics of interest to all Agency employees.
- Establishment of a three-year trial period for new employees.
- Reaffirmation that the promotion of exceptional employees should ~~not~~ be constrained by *only by manual* time-in-grade guidelines.

- Establishment of an Agency-level Secretarial/Clerical Management Advisory Group to provide an additional mechanism for advice and assistance to the DCI on issues and concerns relevant to those important employees.

*I have asked the DCI to conduct a major review of our overall personnel management procedures.*

Some suggestions currently being studied include:

- A review of the Agency's practice of single-grade promotions for professional advancement vis a vis the competitive Civil Service practice of two-grade advancement.
- The development of an advance personnel promotion plan by each Directorate Career Service that, on the basis of expected flow at each grade level (i.e., normal attrition, retirements, etc.), ~~would permit the projection of annual promotion opportunities at each grade~~ *will* and assurance that all employees are informed of these forecasts *as we have recently done for the DDO.*
- Study of the Agency's performance evaluation systems--both Fitness Reports and the Career Service and Sub-group competitive evaluation and ranking exercises.

- The institution of formal Career Service Panel structure to administer secretarial and clerical careers.
- Reexamination of the possibility of establishing a child Day-Care Center.

Each of us develops insights regarding the environment in which we work. Through your willingness to share your views and concerns, my understanding of the Agency has been increased.

I continue to welcome your suggestions and although I cannot promise that each suggestion will be implemented, I will give thoughtful consideration to all issues and problems brought to my attention.

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TELEVISION SHOW

There has been some discussion in the press of a recent television program featuring [REDACTED] When it became known that the television show was going to be aired, we asked the producers if we could view it in advance. Our sole purpose was to determine if any of our sources overseas could possibly be placed in embarrassing positions as a result of the show. We wanted to be able to alert anyone so involved and to take whatever precautions would be appropriate to protect their interests. The terms under which we were allowed to preview the show were very explicit that there would be no attempt by the Agency to change the script in any way. As a result of our viewing, we came to the conclusion there would be no specific damage to individuals and thus we did not have to take defensive actions.

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